

SENATE BILL REPORT

2ESHB 3133

As Reported By Senate Committee On:
Consumer Protection & Housing, February 29, 2008

Title: An act relating to minimum terms for closure or conversion notices for mobile home parks and manufactured housing communities.

Brief Description: Requiring a minimum of three years' notice on closures or conversions of mobile home parks and manufactured housing communities.

Sponsors: House Committee on Housing (originally sponsored by Representatives Liias, Ormsby, Miloscia, Sells, Roberts, Priest, Hunt, Appleton, Rolfes, Loomis, Sullivan, Goodman, Morrell, McIntire, Wood, Hurst, Nelson and Santos).

Brief History: Passed House: 2/19/08, 59-36.

Committee Activity: Consumer Protection & Housing: 2/29/08 [DPA].

SENATE COMMITTEE ON CONSUMER PROTECTION & HOUSING

Majority Report: Do pass as amended.

Signed by Senators Weinstein, Chair; Kauffman, Vice Chair; Honeyford, Ranking Minority Member; Delvin, Haugen, Jacobsen, Kilmer and Tom.

Staff: Alison Mendiola (786-7483)

Background: Given increasing market demands for land in Washington, particularly in high growth areas, the state has noted a recent increase in the rate of manufactured/mobile home community closures. According to data provided by the Department of Community, Trade and Economic Development (DCTED), 18 manufactured/mobile communities closed during calendar year 2007, the closure of which affected 534 households. Approximately 1,000 existing parks are located in urban growth areas and are considered likely threatened due to rising land values within those areas.

The DCTED reports knowledge of 846 spaces that will close within the next year and estimates that 254 of these households will request relocation reimbursement assistance.

Manufactured/Mobile Home Lot Rental Agreement Disclosures and Covenants. Rental agreements for mobile home space tenancies are required to include either:

- 1) a covenant by the landlord that except for acts or events beyond the control of the landlord, for a period of three years after the beginning of the term of the lease, the mobile home park will not be converted to a land use that will prevent the space from continuing to be used for the placement of a mobile home; or

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- 2) a statement that the park may be sold or transferred at any time with the result that subsequent owners may close the park at any time after the required notice.

Notice of Park Community Closures. Landlords must give tenants 12-months' notice of a change of land use of the community, including conversion to a use other than for mobile homes or conversion to a cooperative or subdivision. A copy of the closure notice must be provided with all month-to-month rental agreements signed after the park closure notice has been given.

Summary of Bill (Recommended Amendments): Manufactured/Mobile Home Lot Rental Agreement Covenants. The first page of the rental agreement is to contain a disclosure, as proscribed by statute, that advises the new tenant that parks close, if a park closes the tenant will receive a one year written notice of the pending closure, relocation assistance may be available but the tenant is responsible for removing the home out of the park and if a debt is still owed for that debt, the tenant is still responsible for that debt.

Rental agreements must include a copy of a closure notice if such notice is in effect.

Closure Notice. The closure notice must include park management contact information, a statement that the park owner is willing to sell the park to a tenant organization (if applicable), and information about available relocation assistance.

If a tenant receives a closure notice within the initial two years of his or her tenancy, the landlord is to compensate the tenant by either paying half of the relocation assistance the tenant would otherwise be eligible for, without impacting the tenant's eligibility for such assistance, or half of the assessed value of the home prior to the park's change of use, whichever is less.

Sale of Manufactured/Mobile Homes by Existing Tenants. A tenant who sells a home within a manufactured/mobile home community must provide the buyer with a copy of any closure notice, and a copy of the disclosure regarding the risk of buying a home in a park, that has been provided by the landlord at least seven days in advance of the intended sale and transfer. Failure to provide a copy of the closure notice is grounds for disapproval by the landlord of the transfer of the rental agreement to the new tenant.

Data reporting. In addition the information landlords currently provide to DCTED, by November 1 of 2008 and 2009, the landlords must also provide the following information, if known:

- (1) The date the park closure was issued to tenants;
- (2) The number of homes relocated to another park, reported in three month increments (0-3, 3-6, 6-9, and 9-12);
- (3) The number of homes demolished, reported in the same three month increments;
- (4) The number of homes abandoned in the park; and
- (5) A report on any relocation assistance provided to the tenant by a party other than DCTED.

DCTED is to report this information to the Legislature by December 31, 2008 and 2009.

EFFECT OF CHANGES MADE BY CONSUMER PROTECTION & HOUSING COMMITTEE (Recommended Amendments): The two year closure notice is eliminated (current law is retained). All tenants are to be provided with a disclosure regarding the risks of buying a home in a park. If a tenant receives a closure notice within two years of his or her

initial tenancy, the tenant is entitled to some compensation by the park owner. Data reporting requirements by both the landlord and DCTED are added. The closure notice will not include contact information of the buyer.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Second Engrossed Substitute Bill: PRO: This striker is a result of a compromise, and while tenant advocates would prefer a three or two-year closure notice, this striker does address some tenant concerns. One person in Puyallup just bought their home and within three weeks received a closure notice, so the provisions of the striker would at least help this person more than the provisions under current law. Supportive of the data collecting by landlords and the Department of Community, Trade, and Economic Development as this will help us understand how long it takes for tenants to move once they get the closure notice, where they move to, and what amount of relocation assistance they receive, if any. We need better communication within the parks so it's not so adversarial.

CON: Tenants need to focus on organizing to buy their park instead of coming to the Legislature for band-aid fixes.

OTHER: Do not support an increase in closure beyond the one year. The one year closure works just fine. However, generally supportive of the striker as long as the closure notice isn't increased.

Persons Testifying: PRO: Representative Liias, prime sponsor; Don Carlson, Colonial Estates Manufactured Home Park; Ishbel Dickens, Columbia Legal Services; Marie Sullivan, Department of Community, Trade and Economic Development.

CON: Sandra Allen, Cedierbrook and Meadowbrook Mobile Home Parks

OTHER: John Woodring, Bob Eichler, Manufactured Housing Communities of Washington